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ABSTRACT

In preparing Phase I of the Strategic Plan, the Federal Committee on Apprenticeship noted that efforts beyond education and technical assistance may be needed to develop apprenticeship fully in the United States. Specifically, the committee would examine and make recommendations with respect to such issues as incentives for participation, recognition, linkages with other federal programs, and related instruction needs. The committee suggested the following nonfinancial incentives: a Presidential Apprenticeship Awards Program designed to recognize outstanding sponsors and apprentices; instilling pride in apprenticeship through development of a nationally recognized badge/pin with an appropriate emblem or logo; and training repayment obligating apprentices to work for the program sponsor, at the sponsor's option, or repay the sponsor. With respect to financial incentives, the committee offered recommendations for three categories of apprenticeship training costs: on-the-job training, related instruction, and ancillary services (testing and assessment). With respect to linkages with other federal programs, the committee recommended that the federal government, under the auspices of the Department of Labor, establish an interagency committee for apprenticeship and other job training programs. It would be responsible for recommending national policies, procedures, and necessary agreements for promoting linkages and monitoring and evaluating the effectiveness of linkage efforts. (YLB)

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ED 057265

A STRATEGIC PLAN FOR PROMOTING AND EXPANDING APPRENTICESHIP IN THE U.S. (PHASE II)

Recommendations of the
Federal Committee on Apprenticeship

Approved:
November 5, 1992

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BACKGROUND

America's pressing need for a national strategy that will simultaneously provide millions of Americans with pathways to employment via non-college routes and industries with the skilled work forces they require to remain competitive in world markets has sparked widespread interest in apprenticeship. As proven both in the U.S. and abroad, apprenticeship is a training strategy that enjoys virtually unparalleled success in producing top quality, skilled workers. Moreover, apprenticeship is highly cost-effective. Today, the Federal government invests approximately $16 million in apprenticeship through the U.S. Department of Labor's Bureau of Apprenticeship and Training. These funds, when combined with state and private investment in apprenticeship, generates at least $900 million in Federal income tax revenues alone for a Federal return on investment of more than 50:1.[1]

The Federal Committee on Apprenticeship[2] believes that a broad-based expansion of the registered apprenticeship system in the U.S. would meet the training needs of both industries as well as youths, women, young adults, minorities, and dislocated workers, and others. Such an effort will require the cooperation and collaboration of Federal and state governments, employers, unions, and educators. The challenge is to expand the current apprenticeship system[3] so that it encompasses far more industries.

In April, 1992 the Federal Committee on Apprenticeship (FCA) issued a set of recommendations that lay the foundation for meeting this challenge. These recommendations call for a modest investment of an additional $24.5 million in the U.S. registered apprenticeship system.[4] These funds would be used primarily for two purposes:

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[1] Assumes that there are 300,000 apprentices earning $15,000 per year (a conservative earnings estimate) and that these apprentices pay $3,000 per year in Federal income taxes.

[2] The Federal Committee on Apprenticeship is established by charter to advise the U.S. Secretary of Labor on matters relating to apprenticeship and training in the U.S. The FCA is a bipartisan, multidisciplinary committee consisting of representatives of labor, employers, Federal and state government, educators, and others.

[3] According to the U.S. Department of Labor, Bureau of Apprenticeship and Training, there are approximately 300,000 registered apprentices in the U.S. today. Less than 5% of all U.S.-based companies operated registered apprenticeship programs.

[4] See *Promoting and Expanding Apprenticeship: A Strategic Plan for Preparing America's Work Force of Tomorrow (Phase I)*, Federal Committee on Apprenticeship, April 28, 1992.

- to strengthen the registered apprenticeship infrastructure across the U.S. to enable it to promote the development of apprenticeship programs in new industries and occupations and assure that all programs (existing and new) operate to their fullest potential and in accordance with the highest quality training standards; and

- to mount an aggressive campaign designed to educate employers, unions, schools, prospective apprentices, parents and others about the value and benefits of apprenticeship.

The Committee believes that these two steps, which go hand-in-hand, are fundamental to achieving a significant expansion of apprenticeship in the U.S. Research conducted by the Committee to inform its deliberations found that apprenticeship is a relatively foreign concept in the U.S. Key players such as employers, secondary and post-secondary teachers and guidance counselors, parents, women, minorities, youths, and others know little about apprenticeship and the opportunities it has to offer.[5] Even when there is interest in and understanding of apprenticeship, the current system is simply too small to accommodate the demand for training slots.[6]

In order to encourage participation in apprenticeship by new industries, the Committee concludes that a highly-organized, well-orchestrated grass roots effort, led by the Federal government in partnership with the states, needs to take place to a) heighten awareness of and appreciation for apprenticeship among all key groups and b) provide essential technical assistance to employers to assist them in establishing new apprenticeship programs. Studies by the U.S. General Accounting Office and others[7] strongly suggest that implementation of the recommendations contained in Phase I of the Strategic Plan would go a long way toward achieving these objectives. In the absence of such an effort, the Committee doubts that significant progress toward expanding apprenticeship can be made.

BEYOND THE BASICS

In preparing Phase I of the Strategic Plan, the Committee noted that efforts beyond education and technical assistance may be needed to fully develop apprenticeship in this country.

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[5] See "Survey of Regional and State Directors, Bureau of Apprenticeship and Training," (January, 1992) and "Survey of State Apprenticeship Directors," (April, 1992) sponsored by the Federal Committee on Apprenticeship.

[6] IBID.

[7] *Apprenticeship Training: Administration, Use, and Equal Opportunity*, U.S. General Accounting Office, GAO/HRD-92-43, March 1992; Hansen, G.B. and Skidmore, M.H., "Closing the Rural Employment and Training Gap: An Innovative Approach to Increase Skill Training Opportunities for Rural Workers," Utah Center for Productivity and Quality of Working Life, Utah State University, April, 1985.

Specifically, the Committee indicated that it would examine and make recommendations with respect to such issues as financial and non-financial incentives for participation, recognition, linkages with other Federal programs, and related instruction needs. The Committee has examined these issues and found considerable consensus in virtually all areas except financial incentives. The following reflects the Committee's thinking to date on these issues.

o Incentives

One of the major questions facing public policy makers today involves what, if any, incentives are needed to encourage participation in apprenticeship. Already, a number of legislative proposals have been advanced including grants,[8] tax incentives,[9] and assessments.[10] As part of the Apprenticeship 2000 Review conducted by the U.S. Department of Labor in the late 1980s, one study examined financial and non-financial incentives for apprenticeship programs.[11] The study explored the rationale for government intervention in apprenticeship training and concluded that such intervention may be appropriate because the "market" has not encouraged the development of apprenticeship across a broad range of industries.[12] To address this, the study posits seven categories of financial and non-financial incentives:

1. Direct subsidies to apprentices
2. Direct subsidies to firms employing apprentices
3. Tax credits and reduced payroll taxes
4. Levy-grant systems
5. Support for training facilities and related instruction
6. Contract preference
7. Improvements in the dissemination of information about apprenticeship[13]

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[8] See, for example, S. 2745/H.R. 5220 (Dole/Goodling on behalf of the Administration) "The National Youth Apprenticeship Act of 1992;" S. 2059/H.R. 3470 (Nunn/Gephardt) "The Youth Apprenticeship Act of 1991;" H.R. 3475 (Morella) "Women in Apprenticeship Occupations and Nontraditional Occupations Act;" H.R. 3507 (Valentine) "American Industrial Quality and Training Act of 1991;" H.R. 4078 (Kildee) "Workforce Readiness Act of 1992;" and H.R. 5723 (Perkins) "School-to-Work Transition and Skill Standards Development Act of 1992."

[9] See, for example, H.R. 2550 (Grandy) "Leading Employers into Apprentice Partnerships Act."

[10] See, for example, H.R. 3470/S. 1790 (Gephardt and Regula/Kennedy and Hatfield) "High Skills Competitive Workforce Act of 1991."

[11] R. J. Gitter, "A Review of Financial and Non-Financial Incentives for Apprenticeship Programs," prepared for the U.S. Department of Labor, Bureau of Apprenticeship and Training by Ohio Wesleyan University, September, 1988.

[12] IBID., pages 8-14.

[13] IBID., page 14.

The Committee agrees that this issue should be examined from the distinct perspectives of employers and prospective apprentices and in terms of both financial and non-financial incentives for both groups.[14] At present, however, there appears to be far more consensus on policy directions concerning non-financial incentives than for financial incentives.

Non-Financial Incentives: Consistent with the findings of the Gitter study,[15] the Committee agrees that the image and status of apprenticeship needs considerable bolstering in the U.S. Largely because of America's longstanding preoccupation with and preference for college education, apprenticeship is frequently viewed as a second choice for career preparation. Yet, as recent studies have pointed out, only 30% of jobs will require a college education in the future, but many will require postsecondary training of a different sort. For a significant number of occupations, apprenticeship is the logical alternative pathway to employment. But parents and their children, educators, employment counselors and others must be convinced of this. Thus, the goal is to improve the status and image of apprenticeship, to make career preparation through apprenticeship as desirable as college, and to instill a sense of national pride in apprenticeship equivalent to that of formal college education. Quality training programs, recognition of outstanding apprentices and apprenticeship programs, and meaningful employment are the ingredients needed to achieve this goal.

The Committee recognizes that improving the image of apprenticeship will take time. Nevertheless, the Committee believes that some steps can be taken immediately to begin to accomplish this goal. These steps are as follows:

- *Presidential Apprenticeship Awards Program:* Building upon efforts that are already under way in many states, a prestigious, highly visible national program for recognizing outstanding apprentices and apprenticeship programs should be developed. Today, many states and some industries conduct competitions that result in honoring top apprenticeship program sponsors and apprentices. The Committee recommends that a Presidential Apprenticeship Awards Program designed to recognize outstanding sponsors and apprentices on an annual basis be developed by the Federal government (through the U.S. Department of Labor) in cooperation with the states. Such a program should a) provide for coordinated competition at the state, regional and national levels and b) make awards in several categories of industries (e.g., construction, manufacturing, service, etc.) and perhaps sub-industries within the major industries. The program should culminate in an awards ceremony involving the national winners and the President of the United States. As part of the awards process, extensive publicity efforts should be undertaken at the

[14] For purposes of this discussion, financial incentives are defined as direct financial assistance to employers or apprentices to offset training costs; non-financial incentives do not deal with direct training costs and may or may not involve the expenditure of funds.

[15] R. J. Gitter, op. cit., page 31.

state, regional and Federal levels to create broad-based public awareness of and appreciation for apprenticeship.

- *Instilling Pride in Apprenticeship:* Efforts also should be made to create a strong sense of pride in and status of apprenticeship for apprentices and their families from the moment that apprentices enter an apprenticeship program. Today, registered apprentices who successfully complete their training programs receive a Certificate-of-Completion issued by Federal and state governments. The Committee believes that recognition must begin earlier to enhance the image of apprenticeship training as a career pathway. As a first step, the Committee recommends that a nationally recognized badge/pin with an appropriate emblem or logo be developed and given to each apprentice upon acceptance into a registered apprenticeship program and an appropriate badge/pin be given to each apprentice upon successful completion of training. In addition, learning from the lessons of America's colleges and universities, appropriate symbols for families of apprentices to display (e.g., automobile stickers, etc.) should be developed. Finally, in addition to the registration certificate provided by the Bureau of Apprenticeship and Training, an appropriate decal or other emblem recognizing participation in apprenticeship training should be developed and given to each program sponsor.

- *Training Repayment:* The Committee was advised that one particularly significant barrier to employer participation in apprenticeship involves their concerns regarding "pirating" -- the situation that occurs when an apprentice is recruited by other employers once he or she has completed the training program. The Committee believes that this problem deters some potential sponsors from establishing apprenticeship programs. Gitter suggests that one solution to this "free rider" problem involves the establishment of a levy-grant system. Under such a system, a payroll or corporate income tax is levied on all companies in a particular industry or those firms that employ workers in specified apprenticeable occupations. The proceeds of the tax are then returned in the form of grants to those firms that employ and train apprentices.[16] During the Committee's deliberations on this issue, however, many people suggested a more direct response -- that is, providing "scholarship/loan repayment" programs, such as those operated by many sponsors in the construction industry. Under these programs, apprentices who leave their employers prior to a pre-defined employment term are contractually obligated to pay all or a portion of their training costs. Given the complexities and unknown effects of the levy-grant system model, the Committee recommends that the feasibility of encouraging program sponsors to offer "scholarship/loan repayment programs" be explored and, if determined feasible, model contract language be developed. Such programs would obligate apprentices to work for a reasonable period of time for the program sponsor, at the sponsor's option, or repay the sponsor for the cost of the training program.

[16] Gitter, op. cit., page 25.

Financial Incentives: The issue of financial incentives for participation in apprenticeship is far more complicated, reflecting the considerable uncertainty that surrounds the broader question of how to expand employer investment in training. Indeed, the Gitter study offered a number of policy options, but acknowledged that there is little data or evidence to indicate their effectiveness.[17] By and large, the only evidence to support interventions such as wage subsidies, tax credits and payroll deductions is the experience of foreign countries. However, these experiences may not be transferrable to the United States. Based on its own discussions and research, the Committee concludes that, while there are many opinions, there is no consensus on what, if any, financial incentives are needed in this area. Nevertheless, the Committee recognizes that this issue will be the focus of major public policy debates in the coming months and wishes to offer the following preliminary analysis and recommendations with respect to apprenticeship.

Apprenticeship training costs fall into three distinct categories, each of which requires separate treatment. These categories consist of on-the-job training, related instruction, and ancillary services (testing and assessment).

On-the-Job Training Costs: Although not explicitly stated, most of the current proposals (e.g., tax credits, assessments, grants) apply to the on-the-job training cost component. As discussed earlier, appropriate public policy direction for this cost category apppears to be most uncertain. This is due to the fact that the reasons for employer involvement in training and the ability of

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[17] For example, with respect to wage subsidies, Gitter notes, "In 1977-78 there was a 50 percent wage subsidy to employers who hired apprentices under the Apprenticeship-School Linkage Initiative program. The effectiveness of the subsidy was mixed. Anecdotal evidence suggested that small and medium-sized firms at two sites hired more apprentices. At a third site with mostly large employers, the subsidy had little effect." (page 20)...In a study that examined the effect of apprentice wage rates on the number of apprentices employed for each of ten construction occupations, the results indicated that "after controlling for other factors such as regional location, journeyworkers' wage rate, unions, status of the firm, and the number of journeyworkers employed, there was not a statistically significant relationship between the wage rates of apprentices and the number employed. This relationship would argue against the effectiveness of using wage subsidies to increase the number of apprentices." (pages 20-21)..."Despite the heavy use of apprentice employment subsidies by other (emphasis added) nations, doubts do remain about its effectiveness in the United States. Although evidence indicates that wage subsidies to employers alone offer little promise, they might be part of an effective package to increase employment." (page 21)

With respect to tax credits and reduced payroll taxes, the situation is much the same. Because there has been no specific federal tax credit or payroll deductions for employing apprentices, their potential impact is unknown. Gitter argues that they may induce participation in apprenticeship, but only in combination with other efforts such as adequate publicity, minimal red tape, and good support services (pages 23-25).

any individual employer to offer training seem to vary considerably. For example, an industry that is facing severe labor shortages may be more motivated to establish training programs than an industry that is not. Some businesses are more likely to develop training programs out of a sense of community responsibility or interest in school reform than others. And the ability of employers to sponsor training programs appears to be strongly related to size and financial well-being. The diversity of issues makes across-the-board solutions difficult to agree upon. As a general rule, the Committee believes that apprenticeship programs should be developed and paid for by the industry in question, consistent with current practices. Such an investment leads to strong, ongoing employer commitment. However, the Committee recognizes that some sort of public financial investment may be needed to foster greater employer involvement in apprenticeship or other forms of training, but believes that the specific form of such support needs further analysis.[18] Whatever this form takes, it should be designed to be stable and ongoing since experience has shown that programs started with funding assistance tend to disappear when the funding ends. Given the unknowns, the Committee refrains at this time from making a definitive policy recommendation concerning on-the-job training financial incentives. For apprenticeship, the Committee recommends that other steps -- such as those outlined in Phase I of the FCA's Strategic Plan and others contained in this report -- be undertaken first and that the issue of employer incentives (tax credits, payroll deductions, wage subsidies, etc.) be revisited within 12 to 24 months following further research and assessment of their likely impact. As part of this longer term review, the Committee also recommends that the desirability of reducing Worker's Compensation premiums for program sponsors that provide safety training courses in accordance with pre-defined standards be explored.

Related Instruction: The second major cost category deals with related instruction. According to reports from training sponsors and Federal and state apprenticeship officials throughout the country, sources of related instruction courses and availability of related instruction materials pose a significant problem. Of particular concern is the recent loss of funds under the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, a perhaps unintended byproduct of the major shift in program focus that was brought about by the latest set of amendments. Funds previously available to the States under this Act were used, in part, to fund the costs of providing related training instruction to apprentices. Under a formula in the amended Act, the current appropriation is less than the $1 billion required to trigger funding that could be available for related instruction, hence such funds are no longer available for that

[18] The Committee acknowledges that there is considerable interest in the notion of employer tax credits for inducing participation in apprenticeship, although it is uncertain what tax credit levels are needed to encourage maximum participation. If tax credits are made available to apprenticeship programs, the return on investment for the Federal government would still be positive as long as the levels remain below the level of taxes that apprentices pay on their wages. For example, a $2,400 employer tax credit per apprentice (the current Targeted Jobs Tax Credit program ceiling) would yield nearly $200 million in net Federal tax revenues (assuming 300,000 apprentices earning an average salary of $15,000 per year).

purpose. The loss of this funding represents a serious setback for many existing apprenticeship programs. Restoring these funds is essential, but only a partial solution. The Committee believes that the need for a well developed system of industry-developed related instruction must be explicitly recognized by public policy makers or the goals for expanding apprenticeship cannot be realized. The Committee also believes that such an investment is justified given the projections for the numbers of people who are not expected to require formal college preparation for employment.

Thus, the Committee recommends that the U.S. Department of Labor, in cooperation with the U.S. Department of Education and appropriate congressional committees, perform a thorough analysis of existing sources of related instruction, the related instruction needs of current apprenticeship programs, and the projected needs that will arise under an expanded apprenticeship system and allocate appropriate resources based on this needs assessment. Such instruction may be provided directly by program sponsors, community colleges, or vocational education schools that are equipped to offer the necessary instruction. Based on input that the Committee has received, it appears that assuring the availability of related instruction courses and materials could induce many new employers to offer apprenticeship programs.

Ancillary Costs: The third major category of training costs involves expenses for testing and assessment. Recruitment and selection of qualified applicants often entails considerable expense for program sponsors. Such expense may deter small and mid-sized firms or other companies from establishing apprenticeship programs. Presently, the State Employment Security Agencies (SESAs), which are Federally-funded and operated by the states, offer employment/job services to job seekers (including testing and assessment) and referrals to employers that have job openings. Assuring that these services are available to apprentice program sponsors could make participation in apprenticeship more affordable. The Committee recommends that the U.S. Department of Labor take appropriate steps to assure that the testing, assessment, and referral services offered by SESAs are made available to apprentice program sponsors. Although not directly related to the cost issue, the Committee also recommends that the U.S. Department of Labor expedite efforts to develop a valid and reliable testing and assessment instrument.

- **Linkages with Other Federal Programs**

President Bush's recently announced Job Training 2000 proposal points out the need to better coordinate the dozens of job training programs operated by the Federal government. The Committee believes that strengthening the linkages between the registered apprenticeship system and other job training programs would benefit both the apprenticeship system as well as the populations targeted for assistance under these various programs. The primary advantages to apprenticeship programs are a) that funds available under these various job training programs could be used to pay for testing, assessment, related instruction or other training costs and b) that the targeted populations, consisting mainly of women and minorities, could represent new recruitment sources for program sponsors; the advantage to the various program participants is that they may have the opportunity to enroll in an apprenticeship program, which enables them

to acquire skills in a particular occupation, earn wages while being trained, and have excellent prospects for future employment.

Historically, there have been numerous efforts to link apprenticeship and other Federal job training programs.[19] For example, in May, 1985, a Circular was issued by the Bureau of Apprenticeship and Training to all regional offices urging them to establish Apprenticeship Steering Committees in cooperation with local and state officials. These committees have been established in some states and have proven to be an effective means for establishing linkages and promoting and expanding apprenticeship. Across the country, other examples of coordinated efforts between regional and state BAT offices and various programs can be found. These include linkages with Job Training Partnership Act (JTPA) programs, Jobs Opportunities and Basic Skills Act (JOBS) programs, Economic Dislocation and Worker Assistance Act (EDWAA) programs, Trade Adjustment Assistance (TAA) programs, and so forth. Unfortunately, there is no coordinated Federal approach or uniform policy concerning linkages among apprenticeship and other job training programs, so these efforts tend to be isolated and sporadic at the state and local levels.

The Committee recommends that the Federal government, under the auspices of the U.S. Department of Labor, establish an interagency committee for apprenticeship and other job training programs. The interagency committee should consist of representatives of the FCA, Bureau of Apprenticeship and Training, National Association of State and Territorial Apprenticeship Directors, National Association of Government Labor Officials, Job Corps, EDWAA, TAA, JOBS (HHS), JTPA, U.S. Department of Education and others to be identified by the Secretary of Labor. It would be responsible for the following:

- recommending national policies, procedures, and necessary agreements for promoting linkages between apprenticeship and other job training programs;
- determining how such policies, procedures, and agreements get translated to the state level;
- evaluating existing training-related legislation and formulating recommendations for changes to such legislation to encourage linkages with apprenticeship;
- identifying, describing, and disseminating prospective roles and responsibilities of Federal agencies involved or participating in the linkage activities;

[19] For a complete discussion, see "Strengthening Linkages Between Apprenticeship and Other Federal Job Training Programs (A Background Paper)," prepared for the Federal Committee on Apprenticeship by Minor R. Miller, Executive Director, Federal Committee on Apprenticeship, October, 1992.

- monitoring and evaluating the effectiveness of linkage efforts; and
- exploring the feasibility and implications of requiring all Federal contractors that receive training funds as part of their contracts to offer apprenticeship programs.

SUMMARY AND RECOMMENDATIONS

The U.S. registered apprenticeship system has the potential to meet America's critical need for a national training strategy that simultaneously provides training opportunities to millions of Americans -- including youths, minorities, women, and others -- and skilled workers for U.S. industries. To accomplish this goal, a broad-based expansion of registered apprenticeship needs to take place. The Federal Committee on Apprenticeship offers the following recommendations in this regard:

1) Implement the recommendations contained in *Promoting and Expanding Apprenticeship: A Strategic Plan for Preparing America's Work Force of Tomorrow (Phase I)*, approved by the Federal Committee on Apprenticeship on April 28, 1992. These recommendations call for a modest investment of an additional $24.5 million to a) strengthen the registered apprenticeship infrastructure across the U.S. so that it can promote the development of apprenticeship programs in new industries and occupations and assure that all programs (existing and new) operate to their fullest potential and in accordance with the highest quality training standards; and b) mount an aggressive campaign designed to educate employers, unions, schools, prospective apprentices, parents and others about the value and benefits of apprenticeship.

2) Establish a Presidential Apprenticeship Awards Program to recognize outstanding apprentices and apprenticeship programs. Such a program should a) provide for coordinated competition at the state, regional and national levels and b) make awards in several categories of industries (e.g., construction, manufacturing, service, etc.) and perhaps sub-industries within the major industries. The program should culminate in an awards ceremony involving the national winners and the President of the United States. As part of the awards process, extensive publicity efforts should be undertaken at the state, regional and Federal levels to create broad-based public awareness of and appreciation for apprenticeship.

3) Undertake efforts to improve the sense of pride in and status of apprenticeship. As a first step, a nationally recognized badge/pin with an appropriate emblem or logo should be developed and given to each apprentice upon acceptance into a registered apprenticeship program and an appropriate badge/pin be given to each apprentice upon successful completion of training. In addition, appropriate symbols for families of apprentices to display (e.g., automobile stickers, etc.) should be developed. Finally, in addition to the registration certificate provided by the Bureau of Apprenticeship and Training, an appropriate decal or other emblem recognizing participation in apprenticeship training should be developed and given to each program sponsor.

4) Explore the feasibility of encouraging program sponsors to offer scholarship/loan

repayment programs and, if determined feasible, develop model contract language for these programs. Such programs obligate apprentices to work for a reasonable period of time for the program sponsor, at the sponsor's option, or repay the sponsor for the cost of the training program.

5) With respect to financial incentives for employer participation in apprenticeship (e.g., tax credits, wage subsidies, payroll deductions, assessments, etc.), assess this issue further to determine the desirability and likely impact of such incentives and to take into consideration the potentially unique needs of different industries and varying size companies. As part of this review, explore the desirability of reducing Worker's Compensation premiums for program sponsors that provide safety training in accordance with pre-defined standards. In the interim, implement the recommendations contained herein and assess their impact during the next 12-24 months.

6) Conduct a needs assessment of related instruction courses and materials taking into consideration the needs of existing programs and new programs to be developed under an expanded system and develop strategies to assure that sufficient industry-developed related instruction materials and courses are available to apprenticeship program sponsors. It is believed that this would make participation in apprenticeship considerably more feasible for many existing and new sponsors.

7) Take appropriate steps to assure that the testing, assessment and referral services offered by State Employment Security Agencies are made available to apprenticeship programs sponsors. This would benefit many sponsors, including, in particular, small and mid-sized firms that may have limited resources for this purpose. Additionally, expedite efforts to develop a valid and reliable testing and assessment instrument.

8) Establish a Federal interagency committee, under the auspices of the U.S. Department of Labor, to formalize linkages between apprenticeship and other job training programs. This committee would have responsibility for developing national policies and procedures for promoting linkages between apprenticeship and other job training programs. The interagency committee should consist of representatives of the FCA, Bureau of Apprenticeship and Training, National Association of State and Territorial Apprenticeship Directors, National Association of Government Labor Officials, Job Corps, EDWAA, TAA, JOBS (HHS), JTPA, U.S. Department of Education and others to be identified by the Secretary of Labor. It would be responsible for the following:

   - recommending national policies, procedures, and necessary agreements for promoting linkages between apprenticeship and other job training programs;

   - determining how such policies, procedures, and agreements get translated to the state level;

- evaluating existing training-related legislation and formulating recommendations for changes to such legislation to encourage linkages with apprenticeship;
- identifying, describing, and disseminating prospective roles and responsibilities of Federal agencies involved or participating in the linkage activities;
- monitoring and evaluating the effectiveness of linkage efforts; and
- exploring the feasibility and implications of requiring all Federal contractors that receive training funds as part of their contracts to offer apprenticeship programs.